

IN THE COURT OF COMMON PLEAS, FRANKLIN COUNTY, OHIO

MARY JO HUDSON, Ohio Superintendent of Insurance, in her capacity as Liquidator of Acceleration National Insurance Company,

Plaintiff,

v.

Acceleration National Insurance Company,

Defendant.

Case No. 00CVH-11-10534

Judge Julie M. Lynch

MOTION FOR THE APPROVAL OF LIQUIDATOR'S PERIODIC ACCOUNTINGS FOR THE PERIODS OF JANUARY 1, 2008 TO JUNE 30, 2008, JULY 1, 2008 TO DECEMBER 31, 2008 AND JANUARY 1, 2009 TO JUNE 30, 2009

Plaintiff, Mary Jo Hudson in her capacity as Liquidator of Acceleration National Insurance Company ("ANIC") moves this Court for an Order approving ANIC's Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2008 to June 30, 2008, July 1, 2008 to December 31, 2008 and January 1, 2009 to June 30, 2009, as set forth in the attached Exhibits A, B and C. The grounds in support of this Motion are set forth in the accompanying Memorandum in Support.

Respectfully submitted,
RICHARD CORDRAY
Attorney General of Ohio

By Special Counsel:
CARLILE PATCHEN & MURPHY LLP



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*Attorneys for Mary Jo Hudson, in her capacity as Liquidator
of Acceleration National Insurance Company*

MEMORANDUM IN SUPPORT

This motion is brought by the Liquidator requesting that this Court approve ANIC's Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2008 to June 30, 2008, July 1, 2008 to December 31, 2008 and January 1, 2009 to June 30, 2009 (the "Statements"). These Statements are described and set forth in the attached Exhibits A, B and C.

By Order of this Court entered on February 28, 2001, the Ohio Superintendent of Insurance was appointed Liquidator of Acceleration National Insurance Company, and was empowered, authorized and directed to liquidate all of the property and assets of ANIC in accordance with the laws of Ohio and under the continuing jurisdiction of this Court. As part of the liquidation and pursuant to the Orders of Liquidation and Ohio Revised Code Chapter 3903, the Liquidator undertakes to collect all debts and moneys due to ANIC, and makes payment of necessary expenses. The Liquidation Order and O.R.C. 3903.21(A)(4) provides, in pertinent part, that the Liquidator may:

Pay reasonable compensation to persons appointed and defray from the funds or assets of the insurer all expenses of taking possession of, conserving, conducting, liquidating, disposing of or otherwise dealing with the business and property of the insurer.

Section 3903.42(A) of the Ohio Revised Code provides that the expenses of administration be given first priority in the distribution of assets.

The Liquidator is also required by R.C. 3903.18(E) to periodically account to the Court, throughout the pendency of ANIC's liquidation proceedings, to be submitted in the form attached hereto as Exhibits A, B and C. Such accountings may assist the Court in monitoring the progress and status of the liquidation, and in particular, the receipts and disbursements in ANIC's liquidation proceedings.

WHEREFORE, for the reasons outlined above, the Liquidator respectfully requests the Court to approve ANIC's Statements of Receipts and Disbursements of the Liquidator for the periods January 1, 2008 to June 30, 2008, July 1, 2008 to December 31, 2008 and January 1, 2009 to June 30, 2009, as set forth in the attached Exhibits A, B and C.

Respectfully submitted,
RICHARD CORDRAY
Attorney General of Ohio

By Special Counsel:
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*Attorneys for Mary Jo Hudson, in her capacity as Liquidator
of Acceleration National Insurance Company*

EXHIBIT A
January 1, 2008 to June 30, 2008

ACCELERATION NATIONAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE FEBRUARY 28, 2001
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM FEBRUARY 28, 2001 THROUGH JUNE 30, 2008

	Current Period 1/1/2008 TO 6/30/2008	CUMULATIVE FROM 2/28/2001
Beginning Cash & Invested Assets (Note 1)	13,188,521.43	3,527,972.02
Receipts:		
Interest Income (Note 2)	149,792.54	2,704,937.84
Premiums Collected	0.00	1,630.70
Reinsurance Recoveries (Note 3)	114,532.49	11,743,798.02
Salvage & Subrogation (Note 4)	43.42	847,217.52
Reimbursement of Losses Paid	0.00	1,669.58
Return of Overpymt. - N.J Unsat. Claim & Judgment Fd.	0.00	23,082.63
Recovery From Various Guaranty Associations	0.00	26,437.99
Recovery of Statutory Deposit	0.00	287,000.00
Recovery of Insured's Policy Deductible	0.00	8,144.90
Proceeds from Adner Enterprises, Inc. Settlement	0.00	50,522.82
Proceeds from First Commercial Holdings, Inc. Settlement	0.00	13,080.53
Proceeds from The Hartford Insurance Co. - D & O Settlement	0.00	250,000.00
Recovery of Preference Payments	0.00	655,694.14
Tax Refunds	0.00	193,765.24
Other Income (Note 5)	325.00	15,271.42
Replacement of Ancillary Deposits - Funds Returned	0.00	605,578.12
Proceeds from Closed Bank Account - Uncashed Checks on Loss & LAE	0.00	42,541.98
Total Receipts	264,693.45	17,470,373.43
Disbursements:		
Compensation		
Salaries (Note 6)	49,264.05	839,413.01
Employee Benefits (Note 7)	8,607.82	119,231.99
Payroll & Other Taxes (Note 8)	3,992.57	67,198.05
Professional Fee		
Legal Fees (Note 9)	179.73	736,837.81
Consulting Fees and Other Outside Contracts (Note 10)	6,963.51	1,567,679.53
Tax Preparation & Audit Fees (Note 11)	880.56	153,086.78
Ohio Department of Insurance - Examiner Fees	0.00	25,716.36
Other Expenses of Administration of Company and its Property:		
Rent and Rent Items (Note 12)	18,317.41	204,603.10
Equipment Expense (Note 13)	128.48	5,280.69
Travel and Travel Items (Note 14)	565.11	71,786.22
Postage, Freight and Telephone (Note 15)	524.65	32,340.08
Office Supply Expense (Note 16)	408.05	7,877.34
Data Processing (Note 17)	1,133.28	76,150.31
Investment Expense	120.00	16,022.99
Moving and Relocation Costs (Note 18)	4,988.22	4,988.22
Other Expenses (Note 19)	2,023.56	167,629.18
All Other Disbursements:		
Additional Cost - Replacement of Ancillary Deposits	3,090.82	631,278.70
Interim Distribution to Insurance Guaranty Associations	0.00	5,163,361.37
Total Disbursements	101,187.82	9,890,481.73
Security Amortization for the Period	0.00	(21,211.77)
Encumbered Cash Accounts (Statutory Deposit) - OR	3,115.27	303,357.59
Recovery of Statutory Deposit (US Trea. Note) OH	0.00	1,978,276.69
Short Term Investment - Book Value Adjustment	(50,615.48)	(63,759.38)
Ending Cash & Invested Assets (Note 1)	13,304,526.85	13,304,526.85

See Schedule A for Analysis of Increase in Cash and Invested Assets (Unencumbered)

ACCELERATION NATIONAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE: FEBRUARY 28, 2001
ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)
FOR THE PERIOD JANUARY 1, 2008 THROUGH JUNE 30, 2008

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 1/01/08	13,195,306.87
Increase in Cash and Invested Assets (Unencumbered)	112,890.15
Actual Increase in Cash and Invested Assets (Unencumbered)	<u>112,890.15</u>
Increase in Cash (Encumbered)	3,115.27
Increase in Non Cash Assets (Encumbered) - Includes Premium/(Discount) on Reinvestment	2,225.42
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 6/30/08	<u><u>13,313,537.71</u></u>

Acceleration National Insurance Company. In Liquidation
 Liquidation Date February 28, 2001
 Notes to Statement of Cash Receipts and Disbursements
 For the Period January 1, 2008 through June 30, 2008

Note 2	<u>Interest Income</u>	
	Accrued Discounts on Bonds	137.69
	Interest on Repurchase Agreements	140,226.60
	Interest on CD	1,211.00
	Interest on Bonds Held as Statutory Deposit	8,084.24
	Interest - Other Invested Assets	133.01
		<u>149,792.54</u>
Note 3	<u>Reinsurance Recoveries</u>	
	Recovery from Willis Re. Inc	114,532.49
		<u>114,532.49</u>
Note 4	<u>Salvage & Subrogation</u>	
	Recovery on Subrogation Claims - Amerilaw	43.42
		<u>43.42</u>
	* Some portion may be due various reinsurers and thus not be part of the general assets of the estate	
Note 5	<u>Other Income</u>	
	Production of Document	325.00
		<u>325.00</u>
Note 6	<u>Salaries</u>	
	Chief Deputy Liquidator	2,459.81
	Deputy Liquidators	6,359.91
	Employee Salaries	40,444.33
		<u>49,264.05</u>
Note 7	<u>Employee Benefits</u>	
	Salaries 401K Employer Contribution	1,033.42
	Employee Ins Benefits	7,529.47
	Employee Relations Other	44.93
		<u>8,607.82</u>
Note 8	<u>Payroll & Other Taxes</u>	
	Workers Compensation Insurance	232.08
	State Unemployment Tax	281.02
	Federal Unemployment Tax	146.00
	FICA Tax	3,333.47
		<u>3,992.57</u>

Acceleration National Insurance Company. In Liquidation
 Liquidation Date February 28, 2001
 Notes to Statement of Cash Receipts and Disbursements
 For the Period January 1, 2000 through June 30, 2000

Note 9	<u>Legal Fees</u>	
	<u>Legal Counsel</u>	
	Kegler, Brown, Hill & Ritter LPA	179.73
	Total Legal Fees	<u>179.73</u>
Note 10	<u>Consulting Fees and Other Outside Contracts</u>	
	1099 Connection	1.63
	ADP-Process Liquidation Payroll	192.22
	Digital Controls- IT Consultant	455.09
	Glenn Cornett - Claims Consultant	82.50
	KB Resolutions - Reinsurance Consultant	2,021.11
	Kim Burnside-POC Admin Consultant	51.71
	Paragon Reinsurance Risk Consultants Mgmt , Inc. - Reinsurance	2,887.70
	TEK Systems- IT Consultant	1,271.55
		<u>6,963.51</u>
Note 11	<u>Tax Preparation and Audit Fees</u>	
	Schneider Downs and Company, Inc.	880.56
		<u>880.56</u>
Note 12	<u>Rent & Rent Items</u>	
	Rent on Leased Properties - OADA Office	8,784.00
	Rent on Leased Properties - Storage - Interchange	3,698.44
	Storage Expense - Andrews/Cintas Records Management	1,463.10
	Utilities - Gas/Electric	2,463.40
	Janitorial Service	385.85
	Furniture & Equipment Rent Copier & Computer Depr	1,522.62
		<u>18,317.41</u>
Note 13	<u>Equipment Expenses</u>	
	ABCO Fire Protection Inc	6.40
	ADT Security	22.95
	Gordon Flesch Co - Copier Maintenance	99.13
		<u>128.48</u>

Acceleration National Insurance Company. In Liquidation
Liquidation Date February 28, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period January 1, 2008 through June 30, 2008

Note 14	<u>Travel & Travel Items</u>	
	Liquidation Office Employees	565.11
		<u>565.11</u>
Note 15	<u>Postage, Freight and Telephone</u>	
	Office Postage	44.20
	Express & Freight	1.25
	Telephone and Fax	380.47
	Internet	98.73
		<u>524.65</u>
Note 16	<u>Office Supply Expense</u>	
	Office Supplies	408.05
		<u>408.05</u>
Note 17	<u>Data Processing</u>	
	Computer Maintenance	935.43
	Computer Supplies	177.43
	Computer Software Lease	20.42
		<u>1,133.28</u>
Note 18	<u>Moving and Relocation Costs</u>	
	Advanced Technology Integrators-IT Relocation of Phone System	221.76
	Commercial Work-Move Planning/Expenses	4,306.81
	Critical Power Services Inc-IT Relocation of Backup System	100.90
	FFE Non Capital Items	14.83
	Liquidation Office Travel Expense and Meals	18.57
	Liquidation Office Miscellaneous Expense	1.82
	MicroMen-IT Network Labor	10.46
	Republic Waste-Trash/Dumpster	68.32
	Scioto Businss Forms-Pre-printed envelopes	10.05
	Turner Green Buildings(Columbus Downtown Dev)-Building Redevelopment	234.70
		<u>4,988.22</u>
Note 19	<u>Other Expenses</u>	
	Training & Seminars	137.87
	Employment Fees	55.76
	Advertising/Publications	20.56
	Insurance - Building Liability	583.37
	Registration & Dues	103.61
	Furniture & Equipment - Non Capitalized Purchases	2.17
	Books & Periodicals	220.43
	Contract Printing	23.50
	Moving Expense	51.84
	Temporary Help - Columbus	803.58
	Ameritlaw - Collection Fees	12.16
	Miscellaneous Expense	8.71
		<u>2,023.56</u>

EXHIBIT B

July 1, 2008 to December 31, 2008

ACCELERATION NATIONAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE FEBRUARY 28, 2001
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM FEBRUARY 28, 2001 THROUGH DECEMBER 31, 2008

	Current Period 7/1/2008 TO 12/31/2008	YTD 1/1/2008 TO 12/31/2008	CUMULATIVE FROM 2/28/2001
Beginning Cash & Invested Assets (Note 1)	13,304,526.85	13,188,521.43	3,527,972.02
Receipts:			
Interest Income (Note 2)	168,713.68	318,506.22	2,873,651.52
Premiums Collected	0.00	0.00	1,630.70
Reinsurance Recoveries	0.00	114,532.49	11,743,798.02
Salvage & Subrogation	0.00	43.42	847,217.52
Reimbursement of Losses Paid	0.00	0.00	1,669.58
Return of Overpymt. - NJ Unsat. Claim & Judgment Fd.	0.00	0.00	23,082.63
Recovery From Various Guaranty Associations	0.00	0.00	26,437.99
Recovery of Statutory Deposit	0.00	0.00	287,000.00
Recovery of Insured's Policy Deductible	0.00	0.00	8,144.90
Proceeds from Adner Enterprises, Inc. Settlement	0.00	0.00	50,522.82
Proceeds from First Commercial Holdings, Inc. Settlement	0.00	0.00	13,080.53
Proceeds from The Hartford Insurance Co. - D & O Settlement	0.00	0.00	250,000.00
Recovery of Preference Payments	0.00	0.00	655,694.14
Tax Refunds	0.00	0.00	193,765.24
Other Income (Note 3)	17.74	342.74	15,289.16
Reimbursement of Prior Period Intercompany Expenses	284.30	284.30	284.30
Replacement of Ancillary Deposits - Funds Returned	0.00	0.00	605,578.12
Proceeds from Closed Bank Account - Uncashed Checks on Loss & LAE	0.00	0.00	42,541.98
Total Receipts	<u>169,015.72</u>	<u>433,709.17</u>	<u>17,639,389.15</u>
Disbursements:			
Compensation			
Salaries (Note 4)	39,719.98	88,984.03	879,132.99
Employee Benefits (Note 5)	9,378.95	17,986.77	128,610.94
Payroll & Other Taxes (Note 6)	2,616.34	6,608.91	69,814.39
Professional Fee			
Legal Fees	0.00	179.73	736,837.81
Consulting Fees and Other Outside Contracts (Note 7)	2,915.98	9,879.49	1,570,595.51
Tax Preparation & Audit Fees (Note 8)	5,162.46	6,043.02	158,249.24
Ohio Department of Insurance - Examiner Fees	0.00	0.00	25,716.36
Other Expenses of Administration of Company and its Property:			
Rent and Rent Items (Note 9)	17,222.38	35,539.79	221,825.48
Equipment Expense (Note 10)	139.72	268.20	5,420.41
Travel and Travel Items (Note 11)	370.59	935.70	72,156.81
Postage, Freight and Telephone (Note 12)	413.96	938.61	32,754.04
Office Supply Expense (Note 13)	418.28	826.33	8,295.62
Data Processing (Note 14)	263.57	1,396.85	76,413.88
Banking and Investment Expense	713.34	833.34	16,736.33
Moving and Relocation Costs (Note 15)	95.18	5,083.40	5,083.40
Other Expenses (Note 16)	7,062.60	9,086.16	174,691.78
All Other Disbursements:			
Additional Cost - Replacement of Ancillary Deposits	0.00	3,090.82	631,278.70
Interim Distribution to Insurance Guaranty Associations	0.00	0.00	5,163,361.37
Total Disbursements	<u>86,493.33</u>	<u>187,681.15</u>	<u>9,976,975.06</u>
Security Amortization for the Period	(75,601.90)	(75,601.90)	(96,813.67)
Encumbered Cash Accounts (Statutory Deposit) - OR	1,539.90	4,655.17	304,897.49
Recovery of Statutory Deposit (US Trea. Note) OH	0.00	0.00	1,978,276.69
Short Term Investment - Book Value Adjustment	0.00	(50,615.48)	(63,759.38)
Ending Cash & Invested Assets (Note 1)	<u>13,312,987.24</u>	<u>13,312,987.24</u>	<u>13,312,987.24</u>

See Schedule A for Analysis of Increase in Cash and Invested Assets (Unencumbered)

ACCELERATION NATIONAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE: FEBRUARY 28, 2001
ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)
FOR THE PERIOD JULY 1, 2008 THROUGH DECEMBER 31, 2008

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 7/01/08	13,313,537.71
Increase in Cash and Invested Assets (Unencumbered)	6,920.49
Actual Increase in Cash and Invested Assets (Unencumbered)	<u>6,920.49</u>
Increase in Cash (Encumbered)	1,539.90
Decrease in Non Cash Assets (Encumbered) - Includes Premium/(Discount) on Reinvestment	(1,807.53)
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 12/31/08	<u><u>13,320,190.57</u></u>

Acceleration National Insurance Company, in Liquidation
Liquidation Date February 28, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period July 1, 2008 through December 31, 2008

Note 2	<u>Interest Income</u>	
	Interest on Bonds	291,650.00
	Interest Paid on Bonds	(98,273.37)
	Amorized Premium on Bonds	(45,759.04)
	Interest on Repurchase Agreements	12,175.91
	Interest on CD	434.15
	Interest on Bonds Held as Statutory Deposit	5,250.00
	Interest - Other Invested Assets	0.13
	Interest- Money Market Fund	3,235.90
		<u>168,713.68</u>
Note 3	<u>Other Income</u>	
	Proceeds from sale of Surplus Office Equipment	17.74
		<u>17.74</u>
Note 4	<u>Salaries</u>	
	Chief Deputy Liquidator	3,143.46
	Deputy Liquidators	6,631.55
	Employee Salaries	29,944.97
		<u>39,719.98</u>
Note 5	<u>Employee Benefits</u>	
	Salaries 401K Employer Contribution	711.65
	Employee Insurance Benefits	6,930.27
	Employee Related Expense-Other	1,704.67
	SimplexGrinnell - Employee Security Badges and Supplies	32.36
		<u>9,378.95</u>
Note 6	<u>Payroll & Other Taxes</u>	
	Workers Compensation Insurance	237.04
	State Unemployment Tax	12.64
	Federal Unemployment Tax	7.20
	FICA Tax	2,359.46
		<u>2,616.34</u>
Note 7	<u>Consulting Fees and Other Outside Contracts</u>	
	ADP-Process Liquidation Payroll	162.43
	Glenn Cornell - Claims Consultant	27.50
	Kim Burnside-POC Admin Consultant	44.92
	RASP Consulting-IT Consultant	249.07
	TEK Systems- IT Consultant	2,432.06
		<u>2,915.98</u>
Note 8	<u>Tax Preparation and Audit Fees</u>	
	Schneider Downs and Company, Inc - 2007 Tax Return	2,200.00
	Tax Research - AMT / NOL	325.00
	Audit Fees - 2008	2,637.46
		<u>5,162.46</u>
Note 9	<u>Rent & Rent Items</u>	
	Rent on Leased Properties - Lazarus Building	9,088.17
	Rent on Leased Properties - Storage	4,357.25
	Storage Expense - Andrews/Cintas Records Management	1,463.10
	Rent - Other	112.73
	Trash and Recycling	65.17
	Utilities-Gas / Electric	412.88
	Janitorial Service	71.44
	Furniture & Equipment Rent Copier & Computer Depr	1,651.64
		<u>17,222.38</u>
Note 10	<u>Equipment Expenses</u>	
	ADT Security	9.20
	Gordon Flesch Co - Copier Maintenance	130.52
		<u>139.72</u>
Note 11	<u>Travel & Travel Items</u>	
	Liquidation Office Employees	370.59
		<u>370.59</u>

Acceleration National Insurance Company, In Liquidation
 Liquidation Date February 28, 2001
 Notes to Statement of Cash Receipts and Disbursements
 For the Period July 1, 2008 through December 31, 2008

Nota 12	<u>Postage, Freight and Telephone</u>	
	Office Postage	28 82
	Express & Freight	17 25
	Telephone and Fax	224 72
	Internet - Internet Access	143.17
		<u>413.96</u>
Nota 13	<u>Office Supply Expense</u>	
	Office Supplies	418.28
		<u>418.28</u>
Nota 14	<u>Data Processing</u>	
	Computer Maintenance	15 82
	Computer Supplies	218 10
	Microman Inc - Software Purchase and Labor	31 59
	Computer Software Lease - (PPC Reimbursement GOE)	(1.94)
		<u>283.57</u>
Nota 15	<u>Moving and Relocation Costs</u>	
	Commercial Works - Move Planning / Expenses	95.18
		<u>95.18</u>
Nota 16	<u>Other Expenses</u>	
	Training & Seminars	94 40
	Insurance - Building Liability	205 71
	Professional and D & O / EPLIC Liability Insurance	4,350 59
	Registration & Dues	13 34
	FF & E and IT - Non Capitalized Purchases	128 29
	Books & Periodicals	26 96
	Contract Printing and Copying (Projects)	256 33
	Collection & Bank Charges	3 43
	401K Plan Expenses	35 35
	Moving Expense - (PPC Reimbursement GOE)	(0 88)
	Temporary Help - Columbus	1,944 17
	Miscellaneous Expense	4.91
		<u>7,062.60</u>

EXHIBIT C
January 1, 2009 through June 30, 2009

ACCELERATION NATIONAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE FEBRUARY 28, 2001
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
CUMULATIVE FROM FEBRUARY 28, 2001 THROUGH JUNE 30, 2009

	Current Period 1/1/2009 TO 6/30/2009	YTD 1/1/2009 TO 6/30/2009	CUMULATIVE FROM 2/28/2001
Beginning Cash & Invested Assets (Note 1)	13,312,987.24	13,312,987.24	3,527,972.02
Receipts:			
Interest Income (Note 2)	35,936.73	35,936.73	2,909,588.25
Premiums Collected	0.00	0.00	1,630.70
Reinsurance Recoveries (Note 3)	5,502.14	5,502.14	11,749,300.16
Salvage & Subrogation	0.00	0.00	847,217.52
Reimbursement of Losses Paid	0.00	0.00	1,669.58
Return of Overpymt. - NJ Unsat. Claim & Judgment Fd.	0.00	0.00	23,082.63
Recovery From Various Guaranty Associations	0.00	0.00	26,437.99
Recovery of Statutory Deposit	0.00	0.00	287,000.00
Recovery of Insured's Policy Deductible	0.00	0.00	8,144.90
Proceeds from Adner Enterprises, Inc. Settlement	0.00	0.00	50,522.82
Proceeds from First Commercial Holdings, Inc. Settlement	0.00	0.00	13,080.53
Proceeds from The Hartford Insurance Co. - D & O Settlement	0.00	0.00	250,000.00
Recovery of Preference Payments	0.00	0.00	655,694.14
Tax Refunds	0.00	0.00	193,765.24
Other Income (Note 4)	25.54	25.54	15,314.70
Reimbursement of Prior Period Intercompany Expenses	0.00	0.00	284.30
Replacement of Ancillary Deposits - Funds Returned	0.00	0.00	605,578.12
Proceeds from Closed Bank Account - Uncashed Checks on Loss & LAE	0.00	0.00	42,541.98
Total Receipts	41,464.41	41,464.41	17,680,853.56
Disbursements:			
Compensation			
Salaries (Note 5)	80,627.34	80,627.34	959,760.33
Employee Benefits (Note 6)	12,756.03	12,756.03	141,366.97
Payroll & Other Taxes (Note 7)	6,479.68	6,479.68	76,294.07
Professional Fee			
Legal Fees	0.00	0.00	736,837.81
Consulting Fees and Other Outside Contracts (Note 8)	702.63	702.63	1,571,298.14
Tax Preparation & Audit Fees (Note 9)	304.00	304.00	158,553.24
Ohio Department of Insurance - Examiner Fees	0.00	0.00	25,716.36
Other Expenses of Administration of Company and Its Property:			
Rent and Rent Items (Note 10)	16,832.00	16,832.00	238,657.48
Maintenance / Repair - Facility and FF & E (Note 11)	208.94	208.94	5,629.35
Travel and Travel Items (Note 12)	557.53	557.53	72,714.34
Postage, Freight, Telephone and Internet (Note 13)	422.37	422.37	33,176.41
Office Supply Expense (Note 14)	432.85	432.85	8,728.47
Data Processing (Note 15)	541.83	541.83	76,955.71
Banking and Investment Expense	750.44	750.44	17,486.77
Moving and Relocation Costs	0.00	0.00	5,083.40
Warehouse Consolidation Project Expenses (Note 16)	3,808.58	3,808.58	3,808.58
Other Expenses (Note 17)	980.46	980.46	175,672.24
All Other Disbursements:			
Additional Cost - Replacement of Ancillary Deposits	4,830.45	4,830.45	636,109.15
Interim Distribution to Insurance Guaranty Associations	0.00	0.00	5,163,361.37
Total Disbursements	130,235.13	130,235.13	10,107,210.19
Security Amortization for the Period	0.00	0.00	(96,813.67)
Encumbered Cash Accounts (Statutory Deposit) - OR	716.78	716.78	305,614.27
Recovery of Statutory Deposit (US Trea. Note) OH	0.00	0.00	1,978,276.69
Short Term Investment - Book Value Adjustment	0.00	0.00	(63,759.38)
Ending Cash & Invested Assets (Note 1)	<u>13,224,933.30</u>	<u>13,224,933.30</u>	<u>13,224,933.30</u>

See Schedule A for Analysis of Increase in Cash and Invested Assets (Unencumbered)

Acceleration National Insurance Company, In Liquidation
Liquidation Date February 28, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period January 1, 2009 through June 30, 2009

Note 2	<u>Interest Income</u>	
	Amortized Premium on Bonds	(356 55)
	Interest on CD	606 44
	Interest on Bonds Held as Statutory Deposit	5,540 06
	Interest- Money Market Fund	30,146.78
		<u>35,936.73</u>
Note 3	<u>Reinsurance Recoveries</u>	
	Recovery from Willis Re, Inc	5,502.14
		<u>5,502.14</u>
Note 4	<u>Other Income</u>	
	Cassel & Associates - Auction of Surplus Furniture	21.75
	Capital Choice - Sale of Surplus Warehouse Furniture and Equipment	3.79
		<u>25.54</u>
Note 5	<u>Salaries</u>	
	Chief Deputy Liquidator	4,927 35
	Deputy Liquidators	7,349 40
	Employee Salaries	68,350.59
		<u>80,627.34</u>
Note 6	<u>Employee Benefits</u>	
	Salaries 401K Employer Contribution	1,839 21
	Employee Insurance Benefits	9,672 50
	Employee Related Expense - Other	1,244.32
		<u>12,756.03</u>
Note 7	<u>Payroll & Other Taxes</u>	
	Workers Compensation Insurance	243 96
	State Unemployment Tax	409 69
	Federal Unemployment Tax	141 33
	FICA Tax	5,684.70
		<u>6,479.68</u>

Acceleration National Insurance Company, In Liquidation
Liquidation Date February 28, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period January 1, 2009 through June 30, 2009

Note 8	<u>Consulting Fees and Other Outside Contracts</u>	
	ADP-Process Liquidation Payroll	229 16
	Kim Burnside-POC Consultant	8 58
	Paragon Reinsurance Risk Consultants Mgmt , Inc - Reinsurance	164 89
	RASP Consulting-IT Consultant	300.00
		<u>702.63</u>
Note 9	<u>Tax Preparation and Audit Fees</u>	
	Schneider Downs and Company, Inc - 2008 Audit Fees	243 00
	Tax Research - AMT / NOL	61.00
		<u>304.00</u>
Note 10	<u>Rent & Rent Items</u>	
	Rent on Leased Properties	13,393 94
	Storage Expense -Cintas Records Management	1,527 29
	Utilities - Gas / Electric	140 05
	Trash/Recycling	65 24
	Janitorial Service	0 84
	Furniture & Equipment Rent	1,704.64
		<u>16,832.00</u>
Note 11	<u>Maintenance / Repair: Facility and FF & E</u>	
	ABCO Fire Protection	35 68
	Carls Zipf Lock Shop Inc	6 11
	Columbus Time Recorder Co Inc	4 15
	Gordon Flesch Co	139 35
	Hall's Maintenance Service	0 59
	Prologis	23.06
		<u>208.94</u>
Note 12	<u>Travel & Travel Items</u>	
	Travel - Accommodation and Transportation	510 59
	Travel - Expenses and Meals	46.94
		<u>557.53</u>
Note 13	<u>Postage, Freight, Telephone and Internet</u>	
	Office Postage	72 67
	Express & Freight	13 33
	Telephone and Fax	222 24
	Internet - Internet Access	114.13
		<u>422.37</u>

Acceleration National Insurance Company, In Liquidation
Liquidation Date February 28, 2001
Notes to Statement of Cash Receipts and Disbursements
For the Period January 1, 2009 through June 30, 2009

Note 14	<u>Office Supply Expense</u>	
	Office Supplies	432.85
		<u>432.85</u>
Note 15	<u>Data Processing</u>	
	Computer Maintenance	421.67
	Computer Supplies	71.77
	Microman - Software Purchase and Labor	48.39
		<u>541.83</u>
Note 16	<u>Warehouse Consolidation Project Expenses*</u>	
	Office Supplies - Boxes, Labels and Cleaning	3,211.00
	Trash & Recycling Expenses	118.93
	Moving Expense (Gordon Flesch, Pan L Tek)	311.79
	Liquidation Employees Travel Expense - Mileage Reimbursement (Various Employees)	30.87
	Prologis - Lighting and Door Maintenance	85.33
	Prologis - HVAC Move Out Inspection	50.66
		<u>3,808.58</u>

* To reduce administrative expenses and conserve estate assets for the benefit of policyholders and claimants, the Liquidator elected not to renew at 6/30/2009 three (3) warehouse leases. Rather, the Liquidator repaired and re-shelved the one (1) remaining warehouse to hold records required for the ongoing administration of the liquidation proceedings. Simultaneously, the Liquidator undertook a review of all records stored in the four (4) warehouses to determine which records of the insolvent companies should be retained for future reference, which should be placed in offsite storage, and which were no longer useful. Pursuant to R.C. 3903.48, the Liquidator sought court orders from the courts supervising the liquidation proceedings to destroy records that were determined to be no longer useful. The Liquidator also moved approximately 100,000 boxes of records to Fireproof Records Center to be held until such time as they may be destroyed pursuant to records destruction schedules approved by the courts. The Liquidator estimates that the results of this warehouse consolidation will reduce overhead expenses attributable to the closed warehouse by approx. \$169,000/year and achieve more expeditious closing of an estate.

Note 17	<u>Other Expenses</u>	
	Training & Seminars	75.46
	Insurance - Building Liability	700.94
	Registration & Dues	36.25
	FF & E and IT - Non Capitalized Purchases	37.90
	Contract Printing and Copying (Projects)	28.23
	401K Plan Expenses	72.19
	Temporary Help - Columbus	21.77
	Miscellaneous Expense	7.72
		<u>980.46</u>

ACCELERATION NATIONAL INSURANCE COMPANY, IN LIQUIDATION
LIQUIDATION DATE: FEBRUARY 28, 2001
ANALYSIS OF INCREASE IN CASH AND INVESTED ASSETS (UNENCUMBERED)
For the Period January 1, 2009 through June 30, 2009

SCHEDULE A

Beginning Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 1/01/09	13,320,190.57
Decrease in Cash and Invested Assets (Unencumbered)	(88,770.72)
Actual decrease in Cash and Invested Assets (Unencumbered)	<u>(88,770.72)</u>
Increase in Cash (Encumbered)	716.78
Decrease in Non Cash Assets (Encumbered) - Includes Premium/(Discount) on Reinvestment	(47.64)
Ending Cash (Unencumbered) and Non Cash (Encumbered) Assets as of 6/30/09	<u><u>13,232,088.99</u></u>